

**MINUTES OF REGULAR MEETING
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
MARCH 20, 2024**

The Board of Directors of Fountainhead Municipal Utility District of Harris County, Texas, met in regular session, open to the public on March 20, 2024, and the roll was called of the duly constituted officers of the Board, to-wit:

Sidney A. Hubbard	President
Paul Cemer	Vice President
Bob Grace	Secretary
Norm Warwick	Treasurer
Lee Joseph Saunders	Assistant Secretary/Treasurer

and all of said Directors were present excepting Director Grace who arrived a few minutes after the start of the meeting, thus constituting a quorum.

Persons also present included Vivien Nguyen of Champions Industries, Inc.; DeWayne High and Christine High of WET Services, Inc.; Sarah Redden of Claudia Redden & Associates; Ashlie Whittmore of Wheeler & Associates; Eric Johnson and Andrea Garza of IDS Engineering; and Michael Cole and Cindy Nichols of Michael A Cole, P.C.

DISTRICT CUSTOMER COMMENTS, QUESTIONS AND REQUESTS

Vivien Nguyen of Champions Industries, Inc. introduced herself to the Board and provided a written presentation about Champions Industries, Inc. She requested the Board consider the company next time it goes out for bids for garbage collection services. The Board thanked Ms. Nguyen and she excused herself from the meeting.

SECURITY REPORT

There was none.

MINUTES

Minutes of the Board's March 6, 2024 meeting were approved on the motion of Director Grace, the second of Director Cemer and the unanimous vote of the Board.

ENGINEERING REPORT

Eric Johnson presented the engineer's report to the Board, a copy of which is filed in the District's electronic records. He reported that the Shaw's storm sewer easement document is still awaiting signature of Wells Fargo Bank pending its receipt of a survey of the Shaw's

lot and home and other documentation; the emergency generator replacement at Water Plant #2 is complete and awaiting receipt of the final pay application; pay application No. 4 from Nova Paintings, LLC in the amount of \$76,410 was presented and recommended for payment; plans and specifications are being prepared for the replacement of the hydropneumatic tank at Water Plant #2; the bidding for the replacement of the groundwater storage tank at Water Plant #1 will be scheduled near the end of this year; and the tank replacement project at Bammel UD's Water Plant #1 is complete and the facilities are online.

The engineer next reported that Bammel UD is requesting a \$40,863.75 deposit from Fountainhead MUD for its portion of project engineering costs for the proposed improvements to Bammel UD's Water Plant #2 rehabilitation and Water Plant #1 hydropneumatic tank replacement project; that District 109 is obtaining updated flow data for its re-rating evaluation of its wastewater treatment plant; and the engineer is working with the utility operator on a plan for moving a fire hydrant and valve that are in the way for TxDOT's FM 1960 sidewalk project.

The engineer next reviewed with the Board a draft wastewater capacity fee calculation for Fountainhead MUD to provide wastewater service to the 10 acre tract at 14124 Stuebner Airline (the Orchid Homes tract). Discussion was had at the conclusion of which the Board directed the engineer to provide an estimate of between \$5,000 and \$6,000 per connection.

Discussion was next had regarding Bammel UD's request for a \$40,863.75 deposit. Directors expressed their concern and desire that the Bammel UD bookkeeper keep good accounting records of the project costs and Fountainhead MUD's payments. Eric Johnson said that he would relate the Board's concerns to Bammel UD.

Finally, the engineer reported that he expects to have a draft bond application for the Board and Attorney's review before the end of March. At the conclusion of the engineer's report, **Director Cemer moved approval of the engineer's report and Pay Application No. 4 to Nova Paintings, LLC in the amount of \$76,410. The motion was seconded by Director Grace and carried by unanimous vote.**

TAX ASSESSOR-COLLECTOR REPORT

Ashlie Whittemore presented the tax assessor-collector's report to the Board, a copy of which is filed in the District's electronic records. Ms Whittemore reported 2023 tax collections in the amount of \$1,779,182.87 resulting in a 2023 tax collection rate of 94.95%. **Director Cemer then moved approval of the tax assessor-collector's report and tax bills, which motion was seconded by Director Grace and carried by unanimous vote.**

BOOKKEEPER AND INVESTMENT OFFICER REPORT

Sarah Redden presented the bookkeeper and investment officer reports, copies of which are filed in the District's electronic records. She reported that a debt service fund payment had been made in February and the next payment is due in August. She reviewed the SPA report and presented the budget. **Director Cemer then moved approval of the budget, noting that there may be amendments to be made, which motion was seconded by Director Grace and carried by unanimous vote. Director Cemer next moved approval of the bookkeeper and investment officer reports and bills, which motion was seconded by Director Grace and carried by unanimous vote.**

UTILITY OPERATOR REPORT

DeWayne High presented the utility operator's report to the Board, a copy of which is filed in the District's electronic records. During his report he stated that he will look into why Fountainhead MUD is not covering the NHCRWA costs. Mr. High reported average residential usage of 5,190 gallons per month; there are 113 accounts on the list of proposed service terminations for non-payment; and there were 18 water service terminations carried out last month. Mr. High next reported that Water Plant #2 will be back online soon. The elevated storage tank will then be taken offline, and while it is offline the gateway antenna which reads more than 50% of the meters in the District will have to be removed, resulting in the operator having to read the meters the old way until the elevated storage tank is back online. Christine High reported that she had prepared and sent a back charge invoice to the contractor for reimbursement to the District for the damaged manhole cover as discussed at the last Board meeting. **Director Cemer then moved approval of the utility operator's report and service terminations of the delinquent accounts presented, noting that there were no persons present to show cause why water service should not be terminated. The motion was seconded by Director Grace and carried by unanimous vote.**

ATTORNEY REPORT

Michael Cole presented his attorney's report, a copy of which is filed in the District's electronic records. Among other matters in his report, he reported that the District's May 4, 2024 Directors Election had been cancelled. **Director Cemer then moved approval of the attorney's report, which motion was seconded by Director Grace and carried by unanimous vote.**

Discussion was had about taking a proactive approach to identifying and reviewing the District's infrastructure and to put together a comprehensive list of items to be addressed after the utility operator has completed the valve survey.

There being no other business to come before it the meeting was adjourned.

Secretary, Board of Directors

CUMULATIVE COMMITMENTS FOR ACTION
FOUNTAINHEAD MUNICIPAL UTILITY DISTRICT
MEETING OF MARCH 20, 2024

UTILITY OPERATOR to *continue to work toward completion of the comprehensive valve survey which had been agreed to in a prior meeting.*

ENGINEER to prepare a bond application for the remainder of the authorization and to better prepare an accounting of all the projects to be undertaken by the District, both for the remaining authorization and beyond.

ATTORNEY to place item on next agenda for approval of the bond application..

[commitments that are unchanged are shown in italics.]